

Exhibit E

LEHMAN BROTHERS HOLDINGS INC.

RECEIVED

August 14, 2014

AUG 18 2014

VIA UPS DELIVERY

Initial: _____

First Mortgage Corporation
1131 W. 6th St., Ste. 300
Ontario, CA 91762

Re: Demand for Payment

Dear Sir or Madam,

I write on behalf of the Bankruptcy Estate of Lehman Brothers Holdings Inc. ("LBHI") in connection with the enforcement of (i) the Mortgage Loan Purchase Agreement made by and between Lehman Brothers Bank, FSB, ("Lehman Bank") and First Mortgage Corporation (the "Seller"), dated as of January 27, 2005 (the "Loan Purchase Agreement"), and the incorporated Seller's Guide (the "Seller's Guide"),¹ and (ii) the Assignment Agreement between Lehman Bank and LBHI, dated as of September 2, 2008 (the "Assignment Agreement").

In sum, Lehman Bank purchased the Loan(s) (identified in Schedule A) from Seller pursuant to the Loan Purchase Agreement. Lehman Bank subsequently sold the Loan(s) to LBHI and assigned to LBHI its contractual rights with respect to the Loan, including its rights to indemnification. With respect to the Loan(s), the Seller breached representations, warranties and covenants and other provisions of the agreements. LBHI seeks to recover on claims it allowed in its bankruptcy with respect to the Loan(s) as a result of those breaches.

More specifically, the Loan Purchase Agreement incorporates the Seller's Guide by reference. The Seller's Guide provides that LBHI, as a subsequent holder of any Mortgage Loan, shall be a third party beneficiary of the Loan Purchase Agreement and the Seller's Guide. Accordingly, LBHI as a subsequent holder (and third-party beneficiary) of the Notes is entitled to all the benefits of the Loan Purchase Agreement and the Seller's Guide, including the right to indemnification.

Further, the Loan Purchase Agreement requires the Seller to indemnify Lehman Bank's assigns. Once Lehman Bank purchased the Loan(s) from Seller, it sold and assigned the Loan to LBHI. In addition, Lehman Bank assigned all of its rights in and to the Loan Purchase Agreement and the Seller's Guide, including its remedies thereunder, to LBHI.

¹ Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Loan Purchase Agreement or Seller's Guide.

The Loan Purchase Agreement and the Seller's Guide also set forth duties and obligations of the parties with respect to the purchase and sale of the Loan(s), including but not limited to the mortgage loan documents, examination of the mortgage loan files and underwriting, representations and warranties concerning the parties and individual mortgage loans purchased or sold, and remedies for breach.

With respect to the Loan(s) sold under the Loan Purchase Agreement and Seller's Guide, Seller made a number of representations, warranties and covenants concerning the mortgage loans including the ones set forth in Schedule A. The Loan(s) did not meet LBHI's purchase requirements. See Schedule A. As a result of Seller's breaches, LBHI has allowed loan level claims in its bankruptcy and been damaged in an amount equal to the amount set forth in Schedule A (the "Disputed Amount").

As such, LBHI hereby demands that Seller immediately pay LBHI the Disputed Amount. The Disputed Amount must be paid no later than thirty days after receipt of this demand notice by wire transfer to the following account:

Bank:	Citibank
Account Name:	LBHI-DIP
Account Number:	3079-0197
ABA Number:	021-000-089

Please note that LBHI is prepared to pursue its rights to address the Seller's breaches of the Loan Purchase Agreement and Seller's Guide in the event that payment is not received within thirty days. Indeed, if payment is not received or a mutually acceptable resolution reached between LBHI and Seller, LBHI will immediately commence Court ordered mediation in New York. A copy of the Alternative Dispute Resolution Procedures Order for Indemnification Claims of the Debtors Against Mortgage Loan Sellers, dated June 24, 2014 (the "Order"), is enclosed. Moreover, if resolution is not reached, LBHI will seek, in addition to the Disputed Amount: (i) prejudgment interest on the Disputed Amount at the statutory rate (9%); and (ii) its reasonable attorneys' fees incurred in forcing Seller's indemnification obligations. Finally, if mediation is required, pursuant to the Order, the Seller will be responsible for one half of the fees and costs charged by the mediator.

Please be guided accordingly.

Nothing in this letter shall be deemed to constitute a waiver by LBHI of any rights and remedies that LBHI may have against the Seller under the Agreements, at law, in equity or otherwise, all of which are expressly reserved.

Any question you may have regarding this matter should be directed to the email address below. I look forward to your prompt response.

Very truly yours,

Residential Claims Team
Lehman Brothers Holdings Inc.
claims@lehmanholdings.com

Enclosures

LBHI Loan #	Seller Loan #	Property Address	City	State	Zip	Claim Reason (1)	Claim Reason (2)	Disputed Amount
0033778226	291506	9613 LAUREL STREET	LOS ANGELES	CA	90002	UW - OTHER		\$448,460.39
0040357014	267852	1620 BURMA COURT	POMONA	CA	91766	UW - INCOME/EMPLOY	UW - OTHER	\$207,028.34

TOTAL \$655,488.73

SCHEDULE A

LEHMAN BROTHERS HOLDINGS INC.'S
INDEMNIFICATION ALTERNATIVE DISPUTE RESOLUTION NOTICE
("INDEMNIFICATION ADR NOTICE")

Pursuant to the attached Order entered by the United States Bankruptcy Court for the Southern District of New York, you, the Seller identified below, are required to respond to the Debtor on or before the Response Due Date set forth herein

Indemnification ADR Notice No.: 945-0925

Debtor: Lehman Brothers Holdings Inc. ("LBHI")

Seller: First Mortgage Corporation ("Seller")

Loan(s) Information: See Attachment A (the "Loan(s)")

Parties to Mediation: LBHI and Seller

Subject of Mediation: LBHI's indemnification claims against Seller

Documents

Mortgage Loan Purchase Agreement made by and between Lehman Brothers Bank, FSB, ("LBB") and Seller (the "Loan Purchase Agreement"), and the incorporated Seller's Guide, (the "Seller's Guide"),¹ and the Assignment Agreement between LBB and LBHI (the "Assignment Agreement"), and other related documents and materials.

Documents and materials concerning the above-referenced Loans, bearing production stamps LEH-FMC_0000001 to LEH-FMC_0000295, are available for download through a secure data repository website. For security purposes, instructions and credentials for accessing the website will be provided separately. These documents have been stamped "Confidential" pursuant to Paragraph 13 of the attached *Alternative Dispute Resolution Procedures Order for Indemnification Claims of the Debtors Against Mortgage Loan Sellers* (ECF No. 45277), dated June 24, 2014 (the "Order"), annexed hereto as Attachment B.

The "Fannie Mae-LBHI Settlement Agreement" and "Freddie Mac-LBHI Settlement Agreement" (together "GSE Settlement Agreements"), referenced in Attachment A, are exhibits to the following documents filed in Case No. 08-13555 in the Southern District of New York Bankruptcy Court:

- Docket No. 42153 (Fannie Mae Settlement Agreement attached as Annex A)
- Docket No. 42754 (Freddie Mac Settlement Agreement attached as Annex A)
- Docket No. 42907 (Amendments to Freddie Mac Settlement Agreement)

¹ Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Loan Purchase Agreement or Seller's Guide.

The GSE Settlement Agreements are available at www.lehman-docket.com and may be accessed by clicking on the "Docket" heading and entering each Docket No. in the "General Criteria," "Docket Number(s)" box located on the left-hand side of the web page.

Settlement Demand

LBHI seeks payment in the amount of \$655,488.73, which represents the total amount to satisfy Seller's indemnification obligation arising from LBHI's resolution of bankruptcy claims brought by the Federal National Mortgage Association ("Fannie Mae") and/or the Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the "GSEs"), to whom LBHI sold loans originated and/or sold by Seller to LBHI (the "Disputed Amount").

LBHI also seeks \$32,648.73 in prejudgment interest ("Prejudgment Interest") on the Disputed Amount at the statutory rate of nine percent (9%) from the date of LBHI's initial demand letter, dated August 14, 2014, to the date of this Notice. Interest will continue to accrue until LBHI receives actual payment.

In addition to the Disputed Amount and Prejudgment Interest, LBHI is entitled to its Attorneys' Fees in connection with enforcing Seller's indemnification obligation. In an effort to resolve these matters in ADR as opposed to litigation, LBHI is not seeking its Attorneys' Fees at this time. However, LBHI reserves the right to seek Attorneys' Fees.

Explanation of Basis for Settlement Demand

1. Disputed Amount. LBB purchased the Loans from Seller pursuant to the Loan Purchase Agreement. LBB subsequently sold the Loans to LBHI and assigned to LBHI its contractual rights with respect to the Loans, including its right to indemnification. LBHI, in turn, sold the Loans to one or more of the GSEs, and retained the contractual right to seek indemnification from Seller in the event LBHI became liable for an indemnified event or circumstance. Section 711 of the Seller's Guide, provides, in pertinent part, as follows:

Seller shall indemnify Purchaser and Purchaser's designees (including, without limitation, any subsequent holder of any Note) from and hold them harmless against all claims, losses, damages, penalties, fines, claims, forfeitures, lawsuits, court costs, reasonable attorney's fees, judgments and any other costs, fees and expenses that the Purchaser may sustain in any way related to or resulting from any act or failure to act or any breach of warranty, obligation, representation or covenant contained in or made pursuant to this Seller's Guide or the [LPA] by . . . Seller[.] . . . In addition . . . Seller agrees that it shall pay the reasonable attorney's fees of Purchaser incurred in enforcing Seller's obligations hereunder[.]

As a result of Seller's breaches, LBHI incurred liability to the GSEs. It has settled that liability under the January 22, 2014, and February 12, 2014, settlements with Fannie Mae and Freddie Mac respectively. The United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approved that settlement, and with it, the allowed loan-level claims

made by the GSEs in LBHI's bankruptcy. Among those claims are claims concerning the loan number(s) identified in Attachment A in an amount equal to the Disputed Amount. The allowed claims are based on events or circumstances for which the Seller is liable as LBHI's indemnitor. *See* Attachment A and related documents.² LBHI's settlements with the GSEs have now triggered Seller's duty to indemnify LBHI.

2. Prejudgment Interest. In addition to the Disputed Amount, under governing law, LBHI is owed prejudgment interest at the statutory rate of 9% per annum. N.Y.C.P.L.R. 5001; 5004. Interest will continue to accrue on the outstanding balance until payment is made to LBHI.

Notice

LBHI hereby designates the dispute concerning the above-referenced loans as an Indemnification ADR Dispute pursuant to Paragraph 3 of the attached Order. *See* Attachment B.

In accordance with the Order, participation in the Indemnification ADR Procedures set forth therein is mandatory. Order ¶ 6.

The Order identifies two stages in the Indemnification ADR Procedures: 1) the Notice/Response Stage, and 2) the Mediation Stage. Order ¶¶ 8-10.

This Notice serves to trigger the Notice/Response Stage as described in Paragraphs 8 and 9 of the Order, which require that Seller respond to this Indemnification ADR Notice with a written Statement of Position within twenty (20) days from the date of service of this Indemnification ADR Notice. Order ¶ 8. The response options available to the Seller are described in Paragraph 8(b) of the Order. Failure to provide a timely response may lead to sanctions being imposed against the Seller. Order ¶ 8.

Once Seller submits its written Statement of Position to LBHI, LBHI will have the option of providing a reply within fifteen (15) days of the date of the receipt of Seller's response, or proceeding to the Mediation Stage. Order ¶ 8(d). The Mediation Stage is described in Paragraph 10 of the Order.³

Date of Indemnification ADR Notice: March 4, 2015

Date of Service: March 5, 2015

Response Due Date: March 25, 2015

² LBHI does not forfeit or waive the right to disclose or identify additional claims and/or additional bases for its claims, and hereby expressly reserves all rights, claims, and defenses against Seller associated with the above-referenced loan(s).

³ Seller is also obligated to preserve evidence as set forth in Attachment C to this Notice.
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